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C O N F I D E N T I A L SECTION 01 OF 04 BEIRUT 002920

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SUBJECT: LEBANON: PRESSING FOR GOL CLARITY ON RECONSTRUCTION

REF: BEIRUT 2859

Classified By: Jeffrey D. Feltman, Ambassador. Reason 1.4 (b) and (d)

SUMMARY

1. (SBU) Ambassador, DART Team coordinator, and poloff met with the Council for Development and Reconstruction's (CDR) new director Nabil Jisr -- a close Siniora confidante -- on September 8 to discuss coordination of the reconstruction effort and the reported GOL interest in using prefabricated housing (prefab) to shelter those whose homes were destroyed in the recent conflict. The Ambassador urged against a shelter strategy based around prefabs, and also asked Jisr to get PM Siniora to call all foreign donor country ambassadors together in order to clearly explain to them the GOL reconstruction hierarchy. Joining Jisr were CDR Vice President Yasser Berri (brother of Nabih) and Environment Minister Yaacoub Sarraf (ally of Emile Lahoud). (Comment. This means that each of Lebanon's three presidents had a representative -- one Sunni, one Shi'i, one Maronite -- at the meeting. End Comment.) END SUMMARY.

WHO'S IN CHARGE?

2. (SBU) The Ambassador asked for sorely needed clarification as to who is the primary GOL coordinator for the reconstruction effort in Lebanon, since it seems as though different ministries and NGOs are operating without

supervision, sometimes even at odds with one another. Jisr said that he, as the CDR chief, is the ultimate GOL authority on reconstruction. "He has the mandate," Sarraf confirmed. While Jisr acknowledged that, left to their own devices, certain politicized ministries might intentionally step on each other's toes, it is his job to coordinate all major projects among ministries and NGOs. The Ambassador urged that Siniora convene a round table of donor country ambassadors in order to convey this clearly, while DART Team Coordinator asked that senior GOL representatives be identified to participate in the UN "cluster" meetings.

13. (C) Jisr, who recently and controversially took over the CDR from the ineffectual Fadl Challak, said that whereas communication between the CDR and the Prime Minister had been faulty in the past, that he is now "connected to them" and spends half his time in the Grand Serail (where Siniora's offices are located). "Now there is no cutoff between CDR and the Grand Serail," stressed Jisr, "All the barricades have been lifted." However, Jisr later made a telling remark. Jisr was previously the reconstruction adviser to PM Siniora, and was replaced by Ghassan Taher when Jisr moved over to the CDR. Jisr implied that, whereas he had always insisted on being the sole conduit for project proposals coming from the ministers to the Prime Minister's office, his replacement is not maintaining the same control, leading to some confusion on that end.

DON'T GO THE PREFAB ROUTE  
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14. (SBU) The Ambassador raised USG concerns with the GOL's  
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plans to use prefab housing as temporary shelter for those whose houses were destroyed during the recent conflict. Prefab housing is a more expensive option than simply building permanent structures and will divert needed resources and attention from a permanent solution. The prefab option itself invariably turns into a permanent fix as priorities change -- people in Bosnia have been in prefabs for 15 years. The Ambassador warned that this would result in the creation of "camps", which the GOL has so strenuously opposed as a shelter option.

15. (SBU) In sum, the Ambassador said that the USG would find it difficult to participate in a shelter strategy centered around prefab houses. He urged the GOL to move forward with the UNHCR three-part shelter strategy approved by the GOL: a) support to families hosting the homeless, b) repair kits for light and major repairs, and (c) for homes completely destroyed, a focus on "transitional housing," or construction of an initial single room with kitchen and bath before the winter (to later be expanded into a house, on the site of the original home).

16. (SBU) Jisr said that the GOL's policy on shelter had not "shifted to prefabs," but that they saw it as a necessary option in certain circumstances. The GOL has identified three zones of reconstruction -- rural, semi-rural, and urban. In the case of rural homes which have been destroyed, the GOL proposes putting in a 25 square-meter prefab unit on the individual's land. Eventually, the person can build a permanent structure, keeping the prefab unit for another use (or perhaps the GOL will use them for housing the LAF). Jisr said Speaker Berri had suggested the 25 square-meter size -- as opposed to the earlier suggestion for a roomier 40 square-meters -- since he doesn't want occupants to get "too comfortable" in the prefab housing and never feel the need to build a permanent home.

17. (C) Jisr said that the GOL estimates needing 10,000 prefab units "for the South" (he didn't mention other areas). The Ambassador asked from where they planned to get these, since the Embassy had heard -- perhaps not coincidentally -- that Saudi Arabia is desperately trying to off-load 10,000

units which had recently been turned away from Pakistan. Jisr was clearly evasive on this issue, saying only that the money to pay for the prefabs would not come from reconstruction money, but from "private donations", such as "business associations between Lebanon and Turkey." (Comment. Obviously, Jisr wishes to avoid the topic of the prefabs' source. We note that a Berri-allied company in the Biqa' Valley also produces prefabs. End Comment.)

¶8. (SBU) In the semi-rural areas (10-15 homes per village), Jisr said the three-pronged UNHCR proposal would be the main template for reconstruction. He noted that the UNDP has already begun working with the local municipalities on identifying where light and major repairs are needed, and that houses would be rebuilt on the basis of the UNHCR concept of a single room with kitchen and bathroom (as the nucleus for constructing a larger home).

#### EVEN MURKIER URBAN SITUATION -----

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¶9. (SBU) The reconstruction situation in urban areas is a lot more complicated, claimed Jisr, since many of the destroyed residences were in high-rises, some of which had been built illegally. "I don't want to legalize what was illegal." Jisr noted that he will be receiving a report early next week detailing what are considered licit and illicit former residences, though Jisr indicated there would be some degree of leniency on the part of the GOL. Jisr indicated that the legal complexity of the urban situation would slow down the reconstruction effort in the southern suburbs.

#### 33,000 DOLLAR DREAM HOME -----

¶10. (SBU) The Ambassador asked if the GOL was prepared to make good on its pre-Stockholm promise of covering up to \$33,000 of the cost of rebuilding each home. (Note. The DART learned from the UNHCR on September 7 that the GOL has not a penny to put toward cash assistance for housing, and that the promise of compensation had nonetheless been made in an attempt to "be seen to be doing something for the people and also to occupy some of the political space monopolized by Hizballah." End Note). Jisr explained to the Ambassador -- somewhat vaguely -- that the GOL is allowing donor countries to adopt individual towns and pay directly for the rebuilding of infrastructure, municipal buildings, hospitals, churches, mosques, etc. They would also rebuild generic private homes of approximately 150 square meters for those who asked. Others could opt to build privately on their own, and the donor country would recompense them up to \$33,000 -- but no more, Jisr stressed -- as the building progresses.

¶11. (SBU) The CDR would maintain overall supervision of the process (Note. When the Ambassador asked whether Nabih Berri's Council for the South in fact should have jurisdiction over rebuilding in southern Lebanon, Jisr replied bemusedly -- with Nabih's brother in the room -- that, "The Council for the South does not have legal authority over the South". End Note). Jisr said this donor arrangement is Siniora's preference since it would keep the funds outside of the leaky GOL bureaucracy while ensuring an element of GOL control (presumably in deciding which construction companies are awarded contracts).

#### COMMENT -----

¶11. (C) While we appreciate Jisr's competence and somewhat more global perspective on the reconstruction effort, we will continue to focus on getting the GOL to clearly and quickly define its organizational flow chart and overall strategy, especially on urgent and longer term needs for shelter. We

sensed from Jisr, for instance, that the GOL is leaning towards relying on prefabs despite advice to the contrary, and this is something that we will continue to try to head off. With rumors that the Hizballah handout tap is running dry, that has not been as generous as publicized in many cases, that some recipients of the Party of God's largesse are in fact using the money to pay off debts that pre-date the conflict, and with winter just round the corner, now more than ever the GOL needs to come to the fore as the sole authority capable of directing an effective reconstruction

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effort.  
FELTMAN